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February 3, 2000

VIA FACSIMILE AND OVERNIGHT COURIER

Mary L. Cottrell, Secretary

Massachusetts Department of Telecommunications and Energy

One South Station

Boston, Massachusetts 02110

Re: Allegiance Telecom, Inc.

Comments in MA-DTE Docket No. 99-99

Dear Ms. Cottrell:

On behalf of Allegiance Telecom, Inc., enclosed please find an original and nine (9) copies of its comments in the above-referenced docket submitted in response to the Department's memorandum dated January 26, 2000. A diskette containing the comments in Word Perfect format is also enclosed.

Please date-stamp the enclosed extra copy of the comments and return to me in the self-addressed, postage paid envelope provided. If you have any questions, please do not hesitate to contact me at (202) 295-8392.

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Very truly yours,

Jeanne W. Stockman

Counsel for Allegiance Telecom, Inc.

Enclosures

cc: Lyndal Nipps

Richard Rindler

Paul Vasington

Service List (via Electronic Mail)

BEFORE THE

COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

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Proceeding by the Department of)

Telecommunications and Energy to Conduct)

Mandatory Thousands-Block Number Pooling) D. T. E. 99-99

Trials Pursuant to Authority Delegated by the)

Federal Communications Commission)

COMMENTS OF ALLEGIANCE TELECOM, INC.

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Allegiance Telecom, Inc. ("Allegiance"), by its undersigned counsel, hereby submits these comments in the above-mentioned proceeding in response to the Department of Telecommunications and Energy's ("DTE's") memorandum dated January 26, 2000 and its intent to proceed with mandatory number pooling trials. The current proposal calls for thousands-blocks that are contaminated less than 11% from their embedded inventory of NXX codes to be donated to the numbering pool beginning in February 2001. Allegiance opposes donation of contaminated thousands-number blocks to the number pool. Allegiance believes there are significant unresolved competitive and administrative issues stemming from the donation of contaminated number blocks. Allegiance continues to question whether number pooling is a proven means of number optimization and to what extent implementing the current proposal will extend the life of the 508, 671, 781 and 978 area codes. Accordingly, Allegiance urges DTE to implement rate center consolidation as an integral component of its numbering optimization plan and its overall goal to meaningfully curtail number exhaust.

I. ALLEGIANCE OPPOSES DONATING CONTAMINATED NUMBER BLOCKS TO THE NUMBER POOL.

The current proposal calls for thousands-blocks that are contaminated less than 11% from their embedded inventory of NXX codes to be donated to the numbering pool beginning in February 2001. Allegiance opposes donation of contaminated thousands blocks to the number pool because significant administrative and competitive issues remain unresolved. The administrative burden associated with pooling contaminated thousands blocks is substantial, and is insufficiently set forth in the INC Pooling Guidelines. While the INC Pooling Guidelines provide general principals and conventions to be observed with respect to number pooling, they leave far too many open issues with respect to implementation. Unaddressed issues which arise include administering numbers that are currently in use by the donor, but are part of a block that is slated to be donated. Allegiance notes that for number pooling to be most effective, there must be a procedure for handling numbers retained by the donor that later become free. Do such numbers revert back to the donor, or are they claimed by the pooling recipient? Further, how would a pooling recipient learn that numbers retained by the donor have become free? The obligations of donor and recipient carriers must be clearly defined, with specific timeframes and frequencies for reporting established, in order to maximize number conservation and avoid disputes. To Allegiance's knowledge, and based on its experience in pooling trials in other jurisdictions, those obligations have yet to be defined and the burden of compliance with such obligations, which may be substantial, is unknown. These administrative tasks combined with legacy processes increase the likelihood that the industry will have to treat the number pooling procedure manually. As a result, the provision of timely and accurate services is likely to suffer, and, in turn, cause harm and inconvenience to Massachusetts consumers while also impeding the development of competition in the wireline telephony marketplace.

Moreover, the competitive implications associated with pooling contaminated thousands blocks are severe. Allegiance is concerned that DTE's proposal may disproportionately adversely affect new market entrants and impair development of meaningful wireline competition. A critical question, particularly for new market entrants, is how to resolve a situation where a donor's customer needs additional numbers in its thousands block, but those numbers are unavailable because they have been pooled. This highlights the competitive drawbacks associated with donating contaminated number blocks to the pool. This undesirable scenario is exacerbated when one considers that new market entrants are much more likely to fall victim to these circumstances than incumbents. Given incumbent carriers' market share and established customer base, a contamination threshold of 11% will surely disproportionately impact new market entrants because new market entrants will be the primary class of carriers donating to the pool. Allegiance is unaware of the specific degree of number conservation to be realized by mandating pooling of

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contaminated number blocks; however, Allegiance submits that such incremental benefit is substantially outweighed by the harm that would result to the marketplace. Accordingly, in order to preserve and promote the development of competition, Allegiance urges DTE to refrain from proceeding with number pooling using contaminated number blocks. In order to achieve a greater degree of number conservation and extend scarce numbering resources, Allegiance strongly recommends DTE to consider implementing other number conservation methods in conjunction with number pooling.

II. THE DTE SHOULD CONSIDER IMPLEMENTING OTHER NUMBER CONSERVATION METHODS IN CONJUNCTION WITH NUMBER POOLING TO EXTEND SCARCE NUMBERING RESOURCES.

Allegiance reminds DTE that number pooling is not the lone remedy for number exhaust. Although DTE has concluded to move forward principally with number pooling, rate center consolidation was also endorsed by the FCC as a means of ameliorating the current numbering shortage. Rate center consolidation must be an essential component of a comprehensive long-term number conservation scheme due to the efficiencies it achieves. Allegiance observes that the unusually high number of rate centers in eastern Massachusetts indicates that this region would yield substantial benefits from implementation of rate center consolidation. Rate center consolidation minimizes the anticompetitive effects of number conservation, which as previously noted can be quite substantial, facilitates broad participation by all users of numbering resources since it is not dependent on local number portability, and eliminates the need to impose significant costs on carriers, all while achieving a greater degree of number conservation than that realized by pooling alone.⁽¹⁾ Accordingly, in the interest of maximizing overall number conservation, Allegiance strongly encourages the DTE to further explore rate center consolidation as an integral component of a comprehensive numbering conservation scheme designed to accomplish the DTE's goal of extending the life of the 508, 617, 781 and 978 area codes.

Allegiance also reminds the DTE that area code relief may ultimately be necessary to ensure that new market entrants retain access to numbering resources. Inability to access numbering resources cripples carriers' competitive position in the marketplace and adversely affects Massachusetts consumers. Accordingly, DTE Docket No. 99-11 may need to be examined in an effort to ensure that any delay resulting from the implementation of number pooling does not unfairly and substantially harm new market entrants.

III. CONCLUSION

Allegiance Telecom, Inc. urges DTE to refrain from mandating thousands number pooling with contaminated number blocks because of the administrative burden and anti-competitive impact of this proposal. Access to numbering resources is absolutely critical for new market entrants and the development of a competitive wireline telephony market. The DTE must act to ensure new market entrants are not unfairly disadvantaged by an inability to access these essential resources so that the benefits of wireline competition are fully realized by Massachusetts consumers. Allegiance reminds DTE that other competitively-neutral numbering optimization alternatives exist, such as rate center consolidation. Allegiance submits that any comprehensive, long-term numbering optimization plan must include rate center consolidation in order to achieve the greatest degree of number conservation and fulfill DTE's overall goal of further extending the life of the 508, 617, 781, and 978 area codes. Accordingly, Allegiance respectfully requests DTE to further explore and

commence implementation of rate center consolidation as part of its overall number conservation scheme.

Respectfully submitted,

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Dated: February __, 2000

1. For example, in San Antonio, Texas, rate center consolidation has extended the life of the 210 area code by approximately two years. North American Numbering Council Report, dated Oct. 21, 1998, § 10.5.1. Significantly, the costs associated with this measure were so inconsequential that cost recovery was not even an issue for carriers. *Id.* § 1.4.2.